

CHAPTER 9

INVENTORY AND MANAGEMENT OF STATE PROPERTY

Introduction

This chapter identifies State of California requirements for the inventory and tracking of equipment purchased with State funds by a local agency to carry out the WIC program. It describes acquisition and disposal procedures and sets forth rules for applying State identification tags.

All assets purchased by the contractor with State funds are the property of the State.

Policy

The State requires a local agency to maintain an inventory of items identified as major equipment; and minor equipment/property. This also includes identifying the equipment through the use of numbered or unnumbered tags. Local agency must also follow correct procedures for disposal of equipment purchased with State funds.

I. MAJOR EQUIPMENT

Definitions

Major equipment is defined as:

- a tangible or intangible (property which lacks physical substance such as computer software) item used to conduct State business,
- a unit acquisition cost of **\$5,000 or more** (not including tax), and
- a useful life of at least one year.

Report Purchase/Acquisition

Complete and submit the HAS 1203, Contract Equipment Purchased with State Funds, for all newly acquired items. See attachment A for instructions on completing and obtaining the HAS 1203 form.

Tagging	When the HAS 1203 is received and review by the WIC Property Controllers (PC), the appropriate tags will be forwarded to the agency. In the case of Major equipment, these will be numbered State ID tags. Place the numbered tag onto the equipment.
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Tracking	All items that meet the requirements detailed under definitions for Major Equipment above and are tagged with a numbered ID tag will be tracked on the individual agency's HAS 1204, Inventory/Disposition of State-Funded Equipment. These items will continue to be listed and tracked on the HAS 1204 until disposition/disposal is requested by the agency and approval for such actions is obtained.
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II. MINOR EQUIPMENT/PROPERTY

Definitions	Minor equipment/property is defined as: <ul style="list-style-type: none">• a tangible item used to conduct State business,• a unit acquisition cost of less than \$5,000 (not including tax), and• a useful life of at least one year.
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Report Purchase/Acquisition	Complete and submit the HAS 1203, Contract Equipment Purchased with State Funds, for all newly acquired items. See section III for instructions on completing form.
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Tagging	The following Minor Equipment/Property is tagged with numbered tags : <ul style="list-style-type: none">• Personal digital assistants (PDA)• PDA/cell phone combinations• Laptops• Desk top personal computers (tower unit)
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**Tagging
(Continued)**

- LAN Servers
- LAN Routers
- LAN switches

Place blank or unnumbered State ID tags on all other minor equipment. When the HAS 1203 is received and reviewed by the WIC Property Controllers (PC), the appropriate tags will be forwarded to the agency.

Tracking

The items that meet the requirements detailed under definitions for Minor Equipment/Property above and are tagged with a numbered ID tag will be tracked on the individual agencies HAS 1204, Inventory/Disposition of State-Funded Equipment. All other Minor Equipment/Property tagged with and numbered State ID tag will not be tracked on the HAS 1204. However, all equipment will continue to be the responsibility of the individual agency until disposition/disposal is requested by the agency and approval for such actions is obtained.

III. COMPLETING A HAS 1203

**Part One
Header**

Complete Part One, Header of the HAS 1203 by entering contract information. The term "Contractor" in the field name means "local agency". See Attachment 9-2 for an example of a HAS 1203.

Field Name	Field Description
Current Contract Number (1)	Number assigned by the State of the executed contract and amendments.

Field Name	Field Description
Date Current Contract Expires (2)	Date the current executed contract ends.
Previous Contract Number (3)	Number assigned by the State of the contract prior to the contract now in affect.
CDHS Program Name (4)	Enter "WIC"
Contractor's Name (5)	Local agency's name as shown on the executed contract and any amendments.
Contractor's Complete Address (6)	Street address and mailing address, if different
Contractor's Contact Person (7) and Contact's Telephone Number (8)	Primary person responsible for the accuracy of a local agency's inventory property.
State Program Contract Manager (9)	Primary WIC Program Contact Name
State Program Contract Manager's Telephone Number (11)	Enter only if telephone number is different than number enter in Field 8.

Field Name	Field Description
Date of this Report (12)	Date form was completed

Part Two
Details

Complete Part Two Details by entering information regarding the equipment purchased.

Field Name	Field Description
State Property Tag Number (If motor vehicle, use license plate number) (13)	Enter only if a local agency receives equipment from the State WIC Office that is already tagged or vehicle information.
Quantity (14)	Indicate the total quantity of each item(s) of equipment; if more than one of the same type is indicated (i.e., three each of the exact same item.).
Item Description (15)	Device type (i.e., FAX, Computer PC, Computer Monitor, Color, etc.), manufacturer's name, model no., type, size, and/or capacity; if vehicle indicate passenger capacity (i.e., 8 passenger).

Field Name	Field Description
Unit Cost Per Item (Before Tax) (16)	Unit cost for each item(s).
State Purchase Order (STD 65) Number (17)	(For State use only)
Serial Number (19)	Complete serial number (using all digits and alphas in the serial number). For a vehicle use the Vehicle ID Number (VIN) for the serial number.
Program Use Only (Optional) (20)	Local agency can indicate the WIC site number

IV. MAINTAINING THE INVENTORY LIST HAS 1204

Maintaining Accurate Inventory Documents

Each time a local agency submits a HAS 1203 to the State WIC Branch Property Controller, the information on equipment that will receive a State **numbered** tag is added to a local agency's Inventory List HAS 1204. The local agency should forward new equipment acquisitions as soon as possible to ensure the HAS 1204 is updated and accurate.

**Annual HAS 1204
Review**

The State WIC Inventory List HAS 1204 is distributed to local agencies by the second quarter of each federal fiscal year.

Local agencies must review and confirm the accuracy of the HAS 1204, and return it with corrections within 60 days. If no corrections are needed, notify the State WIC Property Controller via letter or e-mail.

V. STOLEN, LOST, OR DESTROYED PROPERTY

**Stolen, Lost or
Destroyed State
Property (CONTACT
STATE WIC PROPERTY
CONTROLLER
IMMEDIATELY)**

If any item is damaged, lost, destroyed, or stolen, a disposal request must be submitted to the State WIC Property Controller with additional information specific to the circumstances, as follows:

- if damaged, a repair receipt annotated by the vendor that the item is too costly to repair,
- if lost/missing or destroyed, an incident statement from the Supervisor and a letter of explanation from the staff detailing the circumstances surrounding the loss or destruction, along with appropriate documentation from police department, fire department, insurance agency, etc.

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- if stolen, a copy of the police report, and a statement of precautionary steps that will be taken to prevent the recurrence of theft.

Note: If the loss is due to negligence on the part of local agency staff, the local agency must be prepared to replace the item(s) with non-WIC contract funds, such as insurance reimbursements.

VI. DISPOSAL OF STATE PROPERTY

Requesting Disposition HAS 1204

To dispose of any equipment purchased with State WIC funds a local agency must do the following:

- Submit a written request and the appropriate page(s) of the HAS 1204 with the requested disposal items highlighted, to the State WIC Property Controller.
- For miscellaneous property **not** on the HAS 1204 provide a detailed list identifying the items (include date purchased/received, unit cost, and serial number or as much original purchase information as possible).
- Once all the necessary documents are received by the WIC Property Controller, a Property Survey Report (PSR) will be prepared and submitted to the Department of General Services (DGS) for approval.

Approval of Disposition Request

When a disposition request is approved, the State WIC Property Controller will send to a local agency an approval letter (DGS Property Survey Report Approval/Rejection Form) and the original Property Survey Report (PSR).

The local agency must:

- Dispose of the equipment within 30 days after receiving the approved disposal notice and PSR.
- Certify the manner of disposal (e.g. Lost/Stolen, donated to Public School, [indicate school's name] or Public School District [indicate school district's name] or Local Recycle Center.
- Return the **original** PSR with an **original signature** to the State WIC Property Controller immediately for removal of the equipment from

the HAS 1204.

**Donating State
Property (optional)**

After the disposal approval has been given, a local agency is encouraged but **not required** to donate the item(s). Per the Department of General Services, a local agency may donate to:

- a Public School,
- a Public School District, or
- a Local Recycler/Salvage Center

NOTE: Please dispose of equipment properly, do not place in dumpster.

**Transferring State
Property to another WIC
Local Agency**

Prior to the transfer of equipment **the local agency releasing** the equipment must:

- Submit their request in writing to the State WIC Property Controller, indicating the equipment is no longer needed and that another local agency can use the equipment.
- Identify the equipment by submitting a copy of the HAS 1204 page (s) on which the equipment is located or a detailed list of miscellaneous items not on the HAS 1204.

The State WIC Property Controller will prepare a Standard Form 158 Property Transfer Report (PTR) and upon request can provide the local agency with an updated HAS 1204.

The local agency acquiring the equipment is **required** to submit a HAS 1203 after receiving the equipment to acknowledge receipt.

VII. VEHICLE ACQUISITION

Taking Possession of a Vehicle and Submitting a HAS 1203

Upon receiving a purchased vehicle, a local agency is required to submit a HAS 1203 along with proof of insurance and vehicle registration. Include:

- the manufacturer's name,
- make,
- model type,
- seating capacity (i.e., eight passengers),
- unit cost (before tax),
- date a local agency physically took possession of the vehicle,
- complete vehicle identification number (VIN) in the serial number column.

NOTE: Forward the license plate number to the STATE WIC Property Controller upon receipt of the plate from the Department of Motor Vehicles (DMV) (this can be done via email or fax); a local agency's HAS 1204 will be updated

Vehicle Registration

Local agency must register the vehicle as follows:

- Registered Owner is the WIC local agency. Include the name of the WIC Program.
- Legal Owner is the State of California, (For vehicles registered after July 1, 2007 the legal owner is the Department of Public Health)

Example

Registered Owner: County of Sacramento
WIC Program
Your Address
Your Town, CA 95800

Legal Owner: State of California
Department of Public Health
P.O. Box 997413
Sacramento, CA 95899-7413

**Submit Insurance
Certificate Bi-Annually**

Local agency must submit a current insurance certificate bi-annually to the State WIC Property Controller (who will forward the certificate to Asset Management) at the following address:

State WIC
Attention: Property Controller
3901 Lennane Drive
Sacramento, CA 95834

VIII. VEHICLE DISPOSITION

**Requesting Disposition
of a Vehicle**

Local agency must submit a letter to the State WIC Property Controller stating the reason for the disposition.

The State WIC Property Controller will prepare a Std. 152 Property Survey Report (PSR) and forward it to Asset Management for processing; the PSR will be mailed to the local agency.

After the inspection and title change, the local agency must certify the PSR and return the original copy to the State WIC Property Controller.

**Schedule Vehicle
Inspection Appointment**

At the same time the request for disposition is submitted to the State WIC, the local agency should schedule an appointment for vehicle inspection with DGS Office of Fleet Administration Inspector. That web site is:

<http://www.ofa.dgs.ca.gov/Services/InspectServDir.htm>

**Schedule Appointment
with DMV**

Local agency should contact their local DMV office (or call 1-800-777-0133) to obtain information on vehicle document transfer, and to schedule an appointment.

Please note the following:

- A State Exempt License Plate must be issued to the vehicle prior to returning the vehicle to the State Of California.
 - The California Certificate of Title must show the State Department as the Legal Owner.
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**Disposition of Vehicle
After Inspection and
Processing the
HAS 1204**

1. If the vehicle can be driven, local agency must place a copy of the PSR and the OFA#6 form in the vehicle. Schedule an appointment to return the vehicle to one of the locations listed below. An appointment is required.

Northern California:

State of California
Vehicle Surplus Yard
5950 Chiles Road
Davis, CA 95616
(530) 757-1063

Oakland State Garage

401 27th Street
Oakland, CA 94612
(510) 286-0901

Central California:

Fresno State Garage
1025 P Street
Fresno, CA 93721
(559) 445-5527

Southern California:

Los Angeles State Garage
1645 North Main Street
Los Angeles, CA 90012
(323) 224-0905

San Diego State Garage
5878 Auto Port Mall
San Diego, CA 92121
(858) 642-5741

2. If the vehicle is inoperable, contact the WIC Property Controller for further instructions.
3. After the inspection and title change is completed, the Inspector will give the local agency a certificate of inspection (an OFA#6 form). The original certificate must be forwarded to the State WIC Property Controller.
4. Upon receipt of the original certified PSR and the original OFA#6 form from the local agency, the State WIC Property Controller will remove the vehicle from the HAS 1204 (Exhibit 9-3).

IX. APPROXIMATE TIME LINES FOR PROCESSING THE HAS 1203 FORMS AND DISPOSITION REQUEST

CHART 1 – HAS 1203	
Activity	Approximate Timeline in Business Days
Local agency submits HAS 1203 to the State WIC Property Controller.	As soon as possible after purchasing equipment.
State WIC Property Controller evaluates HAS 1203 received from local agency.	3-7 Days
State WIC Property Controller contacts local agency for clarification if incomplete.	3-7 Days
State WIC Property Controller issues the appropriate type of State ID tag and if necessary, obtains numbered tags from DHS Asset Management.	3-10 Days
State WIC Property Controller forwards ID tags to local agency.	3-7 Days

CHART 2 – Disposition Request	
Activity	Approximate Timeline in Business Days
Local agency submits a written request and a copy of the appropriate page(s) of the HAS 1204 with the requested disposal items highlighted to the State WIC Branch Property Controller.	When local agency wishes to dispose of equipment/goods.
State WIC Property Controller contacts local agency for clarification if incomplete.	3-7 Days
State WIC Property Controller prepares a Property Survey Report (PSR) for disposition approval of the requested equipment/goods.	3-7 Days
State WIC Property Controller submits via e-mail, a PSR approval request to DGS.	1-4 Days
DGS sends an approved disposal notice and the PSR to the State WIC Property Controller via e-mail. State WIC Property Controller forwards approval notice, instructional cover letter, and the PSR to local agency for certification.	3-7 Days
Local agency shall dispose of the equipment/goods within 30 days (per SAM Section 3520) and certify the manner of disposal on the PSR and return it to the State WIC Property Controller as soon as possible to insure prompt removal of equipment from the HAS 1204 inventory report. An updated HAS 1204 inventory report is available upon request.	Within 30 days after receiving the approved disposal notice and PSR.

X. ATTACHMENTS

Attachments

Attachments for Chapter 9 to follow this page.

The Lifecycle of State Property (A Quick Reference Guide)

STEP	WHO	WHAT
<u>Acquisition of Equipment/Property</u>		
1.	Local Agency	<ul style="list-style-type: none"> • Purchase major or minor equipment/property.
2.	Local Agency	<ul style="list-style-type: none"> • Complete and submit a HAS 1203 to State WIC Property Controller. • Affix unnumbered State ID tag on miscellaneous property.(with the exception of a few specified items)
3.	State WIC Property Controller	<ul style="list-style-type: none"> • Review the HAS 1203 for completeness and contact Local Agency for clarification if necessary. • Issue numbered State ID tag for major and specific minor equipment/property • Update the HAS 1203 with the tag information. • Send the ID tags and the updated HAS 1203 to Local Agency. • Update the HAS 1204 as required.
4.	Local Agency	<ul style="list-style-type: none"> • Affix the numbered State ID tags on the appropriate major or minor equipment/property. • File the HAS 1203.
<u>Annual Review and Maintenance of the HAS 1204</u>		
5.	State WIC Property Controller	<ul style="list-style-type: none"> • Send the HAS 1204 to Local Agency by the second quarter of each federal fiscal year.
6.	Local Agency	<ul style="list-style-type: none"> • Review and confirm the accuracy of the HAS 1204, and return it with corrections within 60 days to State WIC Property Controller. • If no corrections are needed, notify State WIC Property Controller via letter or e-mail.
7.	State WIC Property Controller	<ul style="list-style-type: none"> • Make necessary corrections/updates to the HAS 1204.
8.	Local Agency	<ul style="list-style-type: none"> • Maintenance (on-going, as necessary): Submit any changes to the HAS 1204 to State WIC Property Controller.
<u>Disposal of State Property</u>		
9.	Local Agency	<ul style="list-style-type: none"> • Submit a written request and the appropriate pages(s) of the HAS 1204 with the requested disposal items highlighted to State WIC Property Controller. • If the items are not on the HAS 1204, provide a detailed list identifying the items (date purchased/received, unit cost, serial no.) or a copy of the originally submitted HAS 1203.
10.	State WIC Property Controller	<ul style="list-style-type: none"> • Review the disposition request for completeness and contact Local Agency for clarification if necessary. • Prepare a Property Survey Report (PSR) for disposition approval of the requested equipment/property. • Submit PSR approval request to Department of General Services.

11.	Department of General Services	<ul style="list-style-type: none"> • Send approved disposal notice and PSR to State WIC Property Controller.
12.	State WIC Property Controller	<ul style="list-style-type: none"> • Forward the approval notice when applicable, instructional cover letter, and PSR to Local Agency for certification.
13.	Local Agency	<ul style="list-style-type: none"> • Dispose of the equipment/property within 30 days. • Certify the manner of disposal on the PSR (e.g.; donated to Public School or Public School District or Local Recycler/Salvage Center; etc, or if applicable, stolen, lost/loaned to Participant never returned, destroyed.). • Return the original PSR to State WIC Property Controller.
14.	State WIC Property Controller	<ul style="list-style-type: none"> • Remove the equipment from the HAS 1204.

*Note: An updated HAS 1204 inventory report is available to a local agency upon request.

Obtaining the HAS 1203 Form

A blank copy of the HAS 1203 form may be obtained from:

- Property Controller by calling (916) 928-8509 or (916) 928-8694, or
- DHS Web Site
<http://admin.int.dhs.ca.gov/forms/html/asset.htm>
Select the HAS 1203 form

Exhibit A-1

Date Current Contract Expires: 09/30/2008

CDHS Program Name: WIC Supplemental Nutrition Program

CDHS Program Contract Manager:

CDHS Program Address: 3901 Lennane Drive

Sacramento, CA 95834

CDHS Program Contract Manager's Telephone Number:

Date of this Report:

(THIS IS NOT A BUDGET FORM)

[illegible]

INSTRUCTIONS FOR HAS 1203 (Please read carefully.)

The information on this form will be used by the California Department of Health Services (CDHS) Asset Management (AM) to tag contract equipment and/or property (see definitions A and B) which is purchased with CDHS funds and is used to conduct state business under this contract. After the Standard Agreement has been approved and each time state/CDHS equipment and/or property has been received, the CDHS Program Contract Manager is responsible for obtaining the information from the Contractor and submitting this form to CDHS AM. The CDHS Program Contract Manager is responsible for ensuring the information is complete and accurate. (See *Health Administrative Manual (HAM)*, Section 2-1060 and Section 9-2310.)

Upon receipt of this form from the CDHS Program Contract Manager, AM will fill in the first column with the assigned state/CDHS property tag, if applicable, for each item (see definitions A and B). AM will return the original form to the CDHS Program Contract Manager, along with the appropriate property tags. The CDHS Program Contract Manager will then forward the property tags and the original form to the Contractor and retain one copy until the termination of this contract. The Contractor should place property tags in plain sight and, to the extent possible, on the item's front left-hand corner. The manufacturer's brand name and model number are not to be covered by the property tags.

1. If the item was shipped via the CDHS warehouse and was issued a state/CDHS property tag by warehouse staff, fill in the assigned property tag. If the item was shipped directly to the Contractor, leave the first column blank.

2. Provide the quantity, description, purchase date, base unit cost, and serial number (if applicable) for each item of:

A. Major Equipment:

- Tangible item having a base unit cost of \$5,000 or more and a life expectancy of one (1) year or more.
- Intangible item having a base unit cost of \$5,000 or more and a life expectancy of one (1) year or more (e.g., software, video).

These items are issued green numbered state/CDHS property tags.

B. Minor Equipment/Property: Specific tangible items with a life expectancy of one (1) year or more that have a base unit cost less than \$5,000. **These items are issued green unnumbered "BLANK" state/CDHS property tags** with the exception of the following, which are issued numbered tags: Personal Digital Assistant (PDA), PDA/cell phone combination (Blackberries), laptops, desktop personal computers, LAN servers, routers, and switches. NOTE: It is CDHS policy not to tag modular furniture. (See your Federal rules, if applicable.)

3. Provide the CDHS Purchase Order (STD 65) number if the items were purchased by CDHS.

4. If a vehicle is being reported, provide the Vehicle Identification Number (VIN) and the vehicle license number to CDHS Vehicle Services. (See HAM, Section 2-10050.)

5. If all items being reported do not fit on one form, make copies and write the number of pages being sent in the upper right-hand corner (e.g., "Page 1 of 3.") The CDHS Program Contract Manager should retain one copy and send the original to: California Department of Health Services, Asset Management, MS 1405, P.O. Box 997413, 1501 Capitol Avenue, Suite 71.2101, Sacramento, CA 95899-7413.

6. Property tags that have been lost or destroyed must be replaced. Replacement property tags can be obtained by contacting AM at (916) 650-0124.

7. Use the version on the CDHS Intranet forms site. The HAS 1203 consists of one page for completion and one page with information and instructions.